



深圳市海王英特龍生物技術股份有限公司
SHENZHEN NEPTUNUS INTERLONG BIO-TECHNIQUE COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 8329)

2008
Interim Report

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This report, for which the directors (the “Directors”) of Shenzhen Neptunus Interlong Bio-technique Company Limited (the “Company”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL HIGHLIGHTS (UNAUDITED)

- For the six months ended 30 June 2008 (the "Relevant Period"), the revenue of the Company together with its subsidiary, Ascendent Bio-Technology Company Limited (collectively the "Group"), was approximately RMB7,629,000, representing an increase of approximately 4.49% from that of the same period last year.
- During the Relevant Period, the loss attributable to equity shareholders of the Group was approximately RMB4,654,000 as compared to the loss attributable to equity shareholders of approximately RMB12,999,000 in the same period last year.
- During the Relevant Period, the loss per share of the Group was approximately RMB0.49 cent.
- The board of directors of the Company (the "Board") does not recommend the payment of any dividend for the Relevant Period.

INTERIM RESULTS (UNAUDITED)

The condensed interim financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 June 2008

	Note	For the three months ended 30 June 2008 (Unaudited)		For the six months ended 30 June 2008 (Unaudited)	
		RMB'000	RMB'000	RMB'000	RMB'000
TURNOVER	4	4,010	3,565	7,629	7,301
Cost of sales		(2,646)	(1,263)	(3,961)	(2,392)
Gross profit		1,364	2,302	3,668	4,909
Other income	4	127	423	1,771	496
Selling and distribution costs		(672)	(852)	(1,810)	(2,174)
Administrative expenses		(1,569)	(2,827)	(3,932)	(5,919)
Other operating expenses		(1,495)	(4,902)	(2,684)	(7,600)
LOSS FROM OPERATIONS	5	(2,245)	(5,856)	(2,987)	(10,288)
Finance costs	6	(911)	(583)	(1,667)	(2,711)
LOSS BEFORE TAXATION		(3,156)	(6,439)	(4,654)	(12,999)
Income tax	7	—	—	—	—
LOSS FOR THE YEAR		(3,156)	(6,439)	(4,654)	(12,999)
LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		(3,156)	(6,439)	(4,654)	(12,999)
LOSS PER SHARE					
Basic	9	RMB(0.33) cent	RMB(0.68) cent	RMB(0.49) cent	RMB(1.37) cents
Diluted		—	—	—	—

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008

	Note	As at 30 June 2008 (Unaudited) RMB'000	As at 31 December 2007 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	245,246	224,361
Interest in leasehold land held for own use under operating lease		8,525	8,615
Intangible assets		23,451	23,835
Prepayments for purchase of technical know-how		6,573	6,573
Deferred tax assets		450	450
		284,245	263,834
CURRENT ASSETS			
Inventories		10,410	11,912
Trade and other receivables	11	2,915	6,693
Amount due from related parties		2,517	4,287
Pledged deposits		—	418
Cash and cash equivalents		15,638	38,650
		31,480	61,960
CURRENT LIABILITIES			
Trade and other payables	12	10,934	13,396
Interest-bearing bank borrowings	13	11,000	37,000
Amount due to related parties		—	158
Tax payable		2,397	2,342
		(24,331)	(52,896)
NET CURRENT ASSETS		7,149	9,064
TOTAL ASSETS LESS CURRENT LIABILITIES		291,394	272,898
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	13	113,000	120,000
Entrusted loans from immediate parent company		78,000	48,000
Deferred revenue		3,591	3,441
		(194,591)	(171,441)
NET ASSETS		96,803	101,457
CAPITAL AND RESERVES			
Share capital		94,667	94,667
Reserves		2,136	6,790
TOTAL EQUITY		96,803	101,457

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 June 2008*

	Share capital RMB'000	Share premium account RMB'000	Statutory reserve fund RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2008	94,667	41,923	3,330	(38,463)	101,457
Loss for the period	—	—	—	(4,654)	(4,654)
At 30 June 2008	94,667	41,923	3,330	(43,117)	96,803
At 1 January 2007	94,667	41,923	3,330	(17,296)	122,624
Loss for the period	—	—	—	(12,999)	(12,999)
At 30 June 2007	94,667	41,923	3,330	(30,295)	109,625

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 June 2008*

	For the six months ended 30 June	
	2008	2007
	(Unaudited)	
	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES	2,928	26,115
CASH FLOWS FROM INVESTING ACTIVITIES	(22,940)	(24,938)
CASH FLOWS FROM FINANCING ACTIVITIES	(3,000)	30,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(23,012)	31,177
Cash and cash equivalents at the beginning of period	38,650	36,963
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,638	68,140
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	15,638	68,140

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. Corporate information

The Company is a joint stock limited company registered in the People's Republic of China (the "PRC"). The registered office of the Company is located at 1st Floor, Block 1, Research Building, Neptunus Technical Center, Langshan 2nd R.N., Nanshan District, Shenzhen, Guangdong Province, the PRC.

During the Relevant Period, the Group was principally engaged in the research and development of modern biological technology, the production and sale of cytokines category protein therapeutic drugs and vaccines for contagious diseases.

2. Basis of presentation and accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards 34 "Interim Financial Reporting" issued by Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules, which are in line with the accounting policies adopted in the preparation of the Group's audited financial statements for the year ended 31 December 2007.

The financial statements are denominated in Renminbi ("RMB"), and based on historical cost method. Unless otherwise specifically stated, all amounts are presented in RMB'000.

3. Segment reporting

The Group conducts its business within one business segment, i.e., manufacturing and selling of medicine products. Accordingly, no business segment information is presented. The Group also operates within one geographical segment in mainland China. All segment assets, liabilities and capital expenditure are located in mainland China and therefore no other geographical segments are presented, except for the segment revenue. Segment revenue is presented based on the geographical location of customers.

An analysis of the Group's revenue by geographical segment, as determined by the location of the customers, is as follows:

	Mainland			
Six months ended	China	Pakistan	Others*	Total
30 June 2008 (unaudited)	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:				
Sales to external customers	5,891	1,564	174	7,629
Cost of sales	(3,338)	(574)	(49)	(3,961)
	<u>2,553</u>	<u>990</u>	<u>125</u>	<u>3,668</u>
Gross profit				
Six months ended				
30 June 2007 (unaudited)				
Segment revenue:				
Sales to external customers	6,229	813	259	7,301
Cost of sales	(1,953)	(333)	(106)	(2,392)
	<u>4,276</u>	<u>480</u>	<u>153</u>	<u>4,909</u>
Gross profit				

* Others include Indonesia and Hong Kong.

4. Turnover and other income

The Group's turnover represents the net invoiced value of the goods sold net of value-added tax ("VAT") after allowances for returns and trade discounts.

An analysis of turnover and other income is as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2008 (Unaudited) RMB'000	2007 RMB'000	2008 (Unaudited) RMB'000	2007 RMB'000
Turnover				
Sale of medicines	4,010	3,565	7,629	7,301
Other income				
Interest income on bank deposits	43	176	115	234
Subsidy income released from deferred revenue	80	247	155	262
Recovery on doubtful debts	—	—	1,494	—
Others	4	—	7	—
	127	423	1,771	496

5. Loss from operations

Loss of the Company from operation is arrived at after charging or (crediting):

	For the three months ended 30 June		For the six months ended 30 June	
	2008 (Unaudited) RMB'000	2007 RMB'000	2008 (Unaudited) RMB'000	2007 RMB'000
Cost of inventories sold	2,394	677	3,456	1,581
Recognition of prepaid land lease payments*	45	45	90	90
Depreciation	1,201	1,567	1,573	2,258
Amortisation of intangible assets	1,137	541	1,345	721
Research and development costs**	582	1,164	966	2,670
Minimum lease payments under operating leases in respect of land and buildings	186	245	346	448
Auditors' remuneration	—	—	224	383
Employment costs (including Directors' remuneration):				
Wages and salaries	3,063	3,537	7,131	7,831
Pension scheme contributions	242	202	434	403
Provision for doubtful debts**	184	1,824	184	391
Reversal of provision for doubtful debts***	—	—	(1,494)	—
Loss on disposal of properties, plant and equipment	53	—	53	—
	<u>53</u>	<u>—</u>	<u>53</u>	<u>—</u>

* These amounts have been included in "Cost of sales" on the face of the unaudited condensed consolidated income statement.

** These amounts have been included in "Other operating expenses" on the face of the unaudited condensed consolidated income statement.

*** These amounts have been included in "other income" on the face of the unaudited consolidated income statement.

6. Finance costs

	For the three months ended 30 June 2008		For the six months ended 30 June 2008	
	2007	2008	2007	2008
	(Unaudited)		(Unaudited)	
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on bank advances wholly repayable within five years	2,712	3,517	4,935	6,868
Less: Interest capitalised as cost of construction in progress	(2,129)	(2,606)	(2,224)	(5,201)
	<u>583</u>	<u>911</u>	<u>2,711</u>	<u>1,667</u>

7. Income tax

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the Relevant Period.

The Company is located in the Shenzhen Special Economic Zone and is subject to a discount on corporate income tax rate of 15%. According to the relevant income tax laws and regulations of the PRC, the Company is entitled to an exemption of corporate income tax for the first two years commencing from the first year it recorded taxable incomes after deducting tax losses brought forward, and for a 50% exemption for the subsequent three years. Accordingly, the Company was entitled to a 50% exemption from income tax for the years ended 31 December 2005, 2006 and 2007.

As the Group has recorded losses during the Relevant Period, no provision for corporate income tax has been made.

On 16 March 2007, the PRC promulgated the "Corporate Income Tax Law of the PRC" ("New Tax Law") (Order No. 63 of the Chairman of the PRC). On 6 December 2007, the State Council of the PRC promulgated Implementation Regulation of the New Tax Law. The New Tax Law and the Implementation Regulation amended tax rates from 33% to 25% commencing from 1 January 2008. For companies which are subject to 15% tax rates on its taxable profits obtained in the PRC commencing from 1 January 2008, the relevant tax rates will be increased to 25% in 2012.

8. Dividends

The Board does not recommend the payment of any dividend for the Relevant Period (2007: Nil).

9. Loss per share

For the three-month and six-month periods ended 30 June 2008, the calculation of basic loss per share was based on the loss attributable to equity shareholders of approximately RMB3,156,000 and RMB4,654,000 respectively (three-month and six-month periods ended 30 June 2007: loss of RMB6,439,000 and loss of RMB12,999,000 respectively) and 946,670,000 ordinary shares in issue for the three-month and six-month periods ended 30 June 2008 (2007: 946,670,000 ordinary shares).

Diluted earnings per share for the three-month and six-month periods ended 30 June 2008 and 2007 have not been calculated because no potential dilutive ordinary shares existed during these periods.

10. Property, plant and equipment

During the Relevant Period, property, plant and equipment purchased by the Company were approximately RMB22,572,000 (2007: RMB22,300,000).

11. Trade and other receivables

Included in trade and other receivables are trade receivables, the aging analysis of which, based on the invoice date, is as follows:

	30 June 2008 (Unaudited) RMB'000	31 December 2007 (Audited) RMB'000
Within 3 months	96	813
3 to 12 months	457	898
Over 1 year	752	8,327
	1,305	10,038
Provision for doubtful debts	(948)	(6,084)
	357	3,954
Prepayment	1,417	989
Other receivables	1,141	1,750
	2,915	6,693

12. Trade and other payables

Included in trade and other payables are trade payables, the aging analysis of which, based on the invoice date, is as follows:

	30 June 2008 (Unaudited) RMB'000	31 December 2007 (Audited) RMB'000
Within 3 months	453	311
4 to 6 months	163	341
7 to 12 months	34	292
Over 1 year	401	458
	<hr/>	<hr/>
Other payable	1,051	1,402
	9,883	11,994
	<hr/>	<hr/>
	10,934	13,396
	<hr/> <hr/>	<hr/> <hr/>

13. Interest-bearing bank borrowings

	Effective interest rate (%)	Maturity	30 June 2008 (Unaudited) RMB'000	31 December 2007 (Audited) RMB'000
Current portion of:				
Short term bank loan – unsecured	6.39	2008	—	30,000
Long term bank loan – secured	7.83	2009	11,000	7,000
Non-current portion of:				
Bank loan – secured	7.83	2014	113,000	120,000
			124,000	157,000
Bank loans repayable:				
Within one year or on demand			11,000	37,000
After 1 year but within 2 years			17,000	14,000
After 2 years but within 5 years			73,000	70,000
After five years			23,000	36,000
			124,000	157,000

Notes:

- (a) Shenzhen Neptunus Bio-engineering Co., Ltd. ("Neptunus Bio-engineering"), the Company's immediate parent company, has put up a corporate guarantee for a loan granted by a bank to the Company. At the balance sheet date, the outstanding bank loan of the Group amounted to RMB124,000,000 (2007: RMB127,000,000) (note 15(2)).
- (b) The Group's banking facility amounting to RMB124,000,000 was secured by:
- charges over the Group's interest in leasehold land held for own use under operating lease situated in PRC, which had an aggregate carrying value at the balance sheet date of approximately RMB8,525,000 (2007: RMB8,615,000);
 - charges over the Group's buildings, equipments and construction in progress, which had an aggregate carrying value at the balance sheet date of approximately RMB203,186,820 (2007: RMB177,148,000);
 - the pledge of 639,000,000 domestic shares in the Company held by Neptunus Bio-engineering (note 15(3));
 - the pledge of 47,671,000 domestic shares in the Company held by Mr. Chai Xiang Dong, the Company's management shareholder (note 15(3)); and
 - the pledge of the right to revenue derived from influenza vaccine.

14. Commitments

- (a) Capital commitments not realised and not provided for in the financial statements at 30 June 2008 were as follows:

	30 June 2008 (Unaudited) RMB'000	31 December 2007 (Audited) RMB'000
Contracted, but not provided for:		
Technical know-how, net of deposits	8,927	8,927
Properties, plant and equipment	4,144	7,708
Land lease pre-payments, net of deposits*	5,500	5,500
Others	173	173
	18,744	22,308
Authorised, but not contracted for:		
Plant and equipment	—	1,530
	18,744	23,838

- * The Company entered into a contract with Investment and Development Company Limited of Baoan High and New Technology Industrial Park (the "Baoan Development Company") on 17 September 2004 (with a supplemental agreement dated on the same date), pursuant to which Baoan Development Company agreed that the Company entered into Guangming Hi-Tech Industrial Park of Shenzhen and that it provides the development of basic facilities for a piece of land acquired by the Company, with the Company paying park development integrated fee (the "PDI fee") of RMB6,000,000.

RMB500,000 of the PDI fee has been paid by the Company as deposit and the Company is in the course of applying for a waiver of the balance. The Directors are of the opinion that the application will be successful and provision for the balance of RMB5,500,000 PDI fee is not required.

- (b) At 30 June 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2008 (Unaudited) RMB'000	31 December 2007 (Audited) RMB'000
Within 1 year	275	563
After 1 year but within 5 years	—	—
	275	563

The Group leases certain of its factory premises under operating leases arrangements. Leases for the factory premises are negotiated for terms of one to two years.

15. Material related party transactions

The Group had the following material transactions with its related parties during the Relevant Period:

Name of related parties	Nature of transactions	Note	For the six months ended	
			2008	2007
			(Unaudited)	
			RMB'000	RMB'000
Shenzhen Neptunus Pharmaceutical Company Limited	Rental of factory premises	1.1	60	60
	Reimbursement on the use of plant and machinery	1.2	50	42
	Reimbursement of direct labour costs	1.3	69	58
	Reimbursement of water, electricity and fuel costs	1.4	251	210
	Management fees	1.5	5	4
	Property management fees	1.6	27	23
	Shenzhen Neptunus Tongai Pharmaceutical Company Limited	Rental of office and factory premises	1.7	134
Neptunus Bio-engineering	Entrusted loan from the immediate parent company	1.8	30,000	39,000
Shandong Neptunus Yinhe Pharmaceutical Company Limited	Sale of influenza vaccine	1.9	850	—

Notes:

The ultimate controlling parent of these related parties is also the ultimate controlling parent of the Company. The Director, Mr. Zhang Si Min is also the director of these related parties, except for Shandong Neptunus Yinhe Pharmaceutical Company Limited.

- 1.1 The rental of factory premises was charged at pre-agreed rates with reference to market prices.
- 1.2 The reimbursement on the use of plant and machinery was based on pre-agreed rates with reference to the useful lives of the plant and machinery and the estimated utilisation rates of the Group on those assets.
- 1.3 The reimbursement of direct labour costs was based on pre-agreed rates with reference to market rates and the number of labour hours incurred for the production.

- 1.4 The reimbursement of water, electricity and fuel costs was based on pre-agreed rates with reference to the Group's production activities.
- 1.5 The management fees were charged at pre-agreed rates.
- 1.6 The property management fees were charged at pre-agreed rates.
- 1.7 The rental of office and factory was charged at pre-agreed rates with reference to market prices.
- 1.8 On 6 April 2007, the Company entered into an entrusted loan contract for an amount of RMB39,000,000 with Industrial Bank and Neptunus Bio-engineering for a term of two years. The amount under the loan is repayable on 5 April 2009. The Company has not provided any pledge or guarantee in respect of the entrusted loan. On 26 March 2008, the Company entered into an entrusted loan contract for an amount of RMB30,000,000 with Industrial Bank and Neptunus Bio-engineering for a term of one year. The amount under the entrusted loan is repayable within 15 working days after the completion of the issue of additional new H shares by the Company. The Company has not provided any pledge or guarantee in respect of the entrusted loan.

The total outstanding entrusted loans from the immediate parent company as at 30 June 2008 and 31 December 2007 were RMB78,000,000 and RMB48,000,000 respectively.

- 1.9 During the Relevant Period, the Group sold influenza vaccine to these related parties. The sale was conducted in the normal course of business on the same terms as those contracted with other third party customers.
- 2 During the Relevant Period, Neptunus Bio-engineering provided a corporate guarantee to the extent of RMB124,000,000 (2007: RMB127,000,000) for the banking facility granted to the Group. (note 13).
- 3 During the Relevant Period, Neptunus Bio-engineering pledged its 639,000,000 domestic shares in the Company and Mr. Chai Xiang Dong, the Director and shareholder of the Company, pledged his 47,671,000 domestic shares in the Company to secure the Group's bank loans amounting to RMB124,000,000 (2007: RMB130,000,000) (note 13).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Relevant Period, the Group was principally engaged in the research and development of modern biological technology, the production and sale of cytokines category protein therapeutic drugs and vaccines for contagious diseases. During the Relevant Period, the Group mainly produced two drugs, namely recombinant human interferon $\alpha 2b$ ("rhIFN $\alpha 2b$ ") for injection, recombinant human interleukin-2 (125Ser) ("rhIL-2 (125Ser)") for injection, and sold three drugs, namely rhIFN $\alpha 2b$, rhIL-2 (125Ser) and subunit vaccine of influenza virus (the "influenza vaccine"). Of these, rhIFN $\alpha 2b$ for injection and rhIL-2 (125Ser) for injection were mainly sold in the PRC and partly exported to the Southeast Asian markets.

Influenza Vaccine Business

The influenza vaccine business is a key business currently developed by the Group. The Group employed an experienced influenza vaccine production expert from the United Kingdom as assistant production general manager in overseeing the Group's influenza vaccine manufacturing base in Baoan district. Currently he is responsible for the preliminary preparations for the PRC GMP certification of the Baoan manufacturing base, as well as ensuring that the production quality standard of influenza vaccine products will meet international standards. During the Relevant Period, the Group conducted another debugging of the machineries for the influenza vaccine project in Baoan and formulated plans to better and improve part of the production lines. The current business focus of the Group is the compliance of the manufacturing facilities of the manufacturing base in Baoan with the requirements for PRC GMP certification.

Interferon and Interleukin Business

During the Relevant Period, sales of the Group's rhIFN $\alpha 2b$ for injection and rhIL-2 (125Ser) for injection were on an agency model. The sales volume and revenue of these two products of high dosage increased over the same period last year, reflecting the steady operation of the current agency sales model of the Group in the domestic market.

RESEARCH AND DEVELOPMENT

New Product Development

Following the completion of clinical research of rhIFN α 2b effervescent tablet, application for new medicine certificate has been made during the year and approval for production and new medicine certificate have been granted during the quarter by the State Food & Drug Administration of China (中國國家食品藥品監督管理局). This project is currently at the stage of applying for GMP certification.

Patent

On 1 February 2008, the Company's application for the PCT international patent "interferon liposome cream" reached the national phase of South Africa (South Africa patent application no. 2006-06309).

PROSPECTS

International demand for influenza vaccine has been increasing in recent years. The Company will focus on international production management system and product quality standards for influenza vaccine and strive to raise the production quality of its influenza vaccine products, so as to form a foundation for expansion into international markets at a later stage.

The Company will continue to invest in the research and development of new products so as to improve the existing product structure as well as minimizing operational risks.

In April 2008, the Company has received the written approval from the China Securities Regulatory Commission for the proposed placing of not more than 189,344,000 new H shares to be issued. The Company is actively considering placing proposals.

USE OF PROCEEDS

On 12 September 2005 (the "Listing Date"), the Company successfully listed on GEM by way of issue of new shares through placing, and the net proceeds received net of related expenses were approximately RMB65,590,000. For the six months ended 30 June 2008, the net proceeds from the Company's listing were applied as follows:

	Proposed amount required from the Listing Date up to 30 June 2008 (HK\$ million)	Actual amount applied from the Listing Date up to 30 June 2008 (HK\$ million)
Newly constructed production base and enhanced production facilities	86.5	66

Comparison of Business Objectives with Actual Business Progress

The table below sets out a comparison of the Company's actual business progress with the Business Objectives set out in the prospectus of the Company published by the Company on 29 August 2005 (the "Prospectus") as at 30 June 2008:

	Expected progress as at 30 June 2008	Actual progress as at 30 June 2008
Newly constructed production base and expanded production facilities		
Influenza vaccine (leased properties)	Modify the existing production facilities and obtain GMP certificate for such facilities	Already in operation in the fourth quarter of 2006
Influenza vaccine (Baoan GMP Factory)	Obtain GMP certificate for the Baoan GMP factory	Construction completed, in preliminary preparations for GMP certification
rhIFN α 2b liposome cream	Complete construction and obtain GMP certificate	Conditions for production not yet fulfilled, GMP application deferred
rhIFN α 2b vaginal effervescent tablet	Complete construction and obtain GMP certificate	Currently at the stage of constructing new production lines
Rabies vaccine in vero cell	Construct production lines in Baoan base	Pending state approval, construction of production lines delayed
rhIFN α 2b buccal tablet	Complete construction and obtain GMP certificate	Conditions for production not yet fulfilled, construction of production lines deferred

	Expected progress as at 30 June 2008	Actual progress as at 30 June 2008
Research and development of new products		
Influenza vaccine	Launch product on the market by the end of 2005	Formal sales commenced in 2007
Rabies vaccine in vero cell	Obtain new medicine certificate and apply for production approval	Application for new medicine certificate jointly made with the cooperation party and at the stage of administrative approval
rhIFN α 2b buccal tablet	Obtain new medicine certificate and obtain production permit	Second stage clinical plan was rejected. The Company has proposed for administrative review and has applied for the change of indications. Clinical trial is expected to be deferred.
rhIFN α 2b liposome cream	Launch product on the market	Application for new medicine certificate in progress
rhIFN α 2b vaginal effervescent tablet	Launch product on the market	Obtained new medicine certificate and production approval
rhNGF	Under clinical research	Production process study being conducted with the cooperation party; drug research on animals activated
rhHSS	Under clinical research	Pre-clinical research in progress
Expansion of sales network		
Expansion plan	Expand sales team for vaccine products	Gradually strengthen the influenza vaccine sales team
	Apply for medicine registration in more countries	Drug registration for rhIFN α 2b for injection has been completed in Indonesia and the Philippines. Developed businesses with Korea, Taiwan, Thailand, Ukraine and Columbia. Drug registrations are in progress in Mexico, Vietnam, Thailand, Ukraine and Central and South America.

FINANCIAL REVIEW

The Group's revenue for the Relevant Period was approximately RMB7,629,000, representing an increase of 4.49% from that of RMB7,301,000 in the corresponding period last year. Revenue from rhIFN α 2b for injection, our principal product, during the Relevant Period amounted to RMB6,283,000, representing approximately 82.36% of the Group's total revenue.

The Group's gross profit and gross profit margin for the Relevant Period were approximately RMB3,668,000 and 48.08% respectively, decreasing by RMB1,241,000 and 25.28% respectively compared with that of the corresponding period last year. The decrease in total gross profit was attributable to the increased production costs for products and the decreased selling price of main products.

The Group's selling and distribution costs for the Relevant Period amounted to approximately RMB1,810,000, decreasing by approximately RMB364,000 compared with that of the corresponding period last year, representing a decrease of approximately 16.74%.

The Group's administrative expenses for the Relevant Period amounted to approximately RMB3,932,000, decreasing significantly by approximately RMB1,987,000 from approximately RMB5,919,000 in the corresponding period last year, representing a decrease of approximately 33.57%. The decrease of administrative expenses was because of two reasons: the effect of reclassification of accounts and the intensive control of administrative expenses. Firstly the Group adopted a more detailed classification method by which part of administrative expenses was transferred to Construction-in-Progress (CIP), and accordingly the administrative expenses decreased. Secondly, a more intensive control over administrative expenses was implemented, contributing to the decrease of administrative expenses.

The Group's other operating expenses for the Relevant Period amounted to approximately RMB2,684,000, decreasing by approximately RMB4,916,000 compared with that of the corresponding period last year, representing a decrease of approximately 64.68%, mainly because last year the Group made a huge provision for account receivables and the Company recovered part of the receivables for previous years during the Relevant Period. Therefore, the Group made a write-back of provision previously provided to the extent of amounts recovered.

On the other hand, it was because of the increase of intangible assets and the fact that any related development expenses could be capitalized during the Relevant Period, which approximately amounted to RMB961,000.

The Group's loss before tax for the Relevant Period decreased from approximately RMB12,999,000 in the corresponding period last year to approximately RMB4,654,000. The decrease in loss was mainly due to the growth in the Group's revenue, the decrease in selling and distribution costs and the decrease at different levels in administrative expenses and other expenses such as provision for doubtful debts.

As such, loss attributable to the shareholders of the Company amounted to approximately RMB4,654,000 for the Relevant Period, compared with RMB12,999,000 for the corresponding period last year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group normally funds its operations and investment activities from its internal financial resources and bank loans. The Group's transactions are mainly denominated in RMB, and the needs for liquidity and financing are regularly reviewed.

Borrowings and banking facilities

As of 30 June 2008, the Group had total bank financing liabilities of approximately RMB124,000,000, which are all long-term bank borrowings. Entrusted loans from the Company's controlling shareholders were approximately RMB78,000,000.

On 23 May 2006, the Company entered into a long-term loan agreement (the "CDB Loan Agreement") with China Development Bank ("CDB") for the grant by CDB of a loan of RMB130,000,000 (the "CDB Loan") to the Company to finance the Company's project on influenza vaccine (the "Loan Project"). Pursuant to the CDB Loan Agreement, CDB requires the Company, Neptunus Bio-engineering, the Company's controlling shareholder, and Mr. Chai Xiang Dong, the management shareholder of the Company, to provide guarantee and securities (including without limitation to the pledge of the domestic shares of the Company currently held by them to CDB) to secure the CDB Loan. The Company would apply the revenue from the Loan Project to repay the CDB Loan by installments. During the Relevant Period, the Company has repaid RMB6,000,000 to CDB pursuant to the terms of the CDB Loan Agreement.

Shareholder's Entrusted Loans

The Company has obtained a shareholder's entrusted loan of RMB9,000,000 from its controlling shareholder, Neptunus Bio-engineering. The calculation of loan interests shall make reference to the commercial bank loan rate for the same period. But the interest is waived by Neptunus Bio-engineering for the year. The entrusted loan has been used to pay off the land premium for the land used by the Company for the construction of the new production base in Baoan, Shenzhen. The due date of this shareholder's entrusted loan is on 5 April 2009, but Neptunus Bio-engineering has undertaken to the Company that it would not demand repayment of the abovementioned entrusted loan unless and until: (1) the repayment of such shareholder's entrusted loan would not adversely affect the operations of the Company and/or its business objectives as set out in the Prospectus of the Company; (2) each of the independent non-executive Directors is of the opinion that the repayment of such shareholder's entrusted loan would not adversely affect the operations of the Company and/or the implementation of its business objectives as set out in the Prospectus and the Company would make an announcement in respect of the decision of the independent non-executive Directors; and (3) the Company has a positive cash flow and has retained profits in the relevant financial year.

The shareholder's entrusted loan amounting to RMB39,000,000 for a term of two years obtained by the Company from its controlling shareholder, Neptunus Bio-engineering, on 6 April 2007 was mainly used as current working capital in the daily operating activities of the Company. The interest rate of the above shareholder's entrusted loan shall make reference to the commercial bank loan rate for the same period, to be repaid together with the principal upon maturity of the shareholder's entrusted loan.

The shareholder's entrusted loan of RMB30,000,000 obtained on 26 March 2008 was mainly used for the Company's repayment of the Entrusted Loan arranged by the Company and the Industrial Bank and an independent third party which matured in March 2008. The Company shall repay the aforementioned shareholder's entrusted loan of RMB30,000,000 within 15 working days after the completion of the issue of additional new H shares by the Company. The interest rate of the above shareholder's entrusted loan shall make reference to the commercial bank loan rate for the same period, to be repaid together with the principal upon maturity of the shareholder's entrusted loan.

On 18 March 2008, Neptunus Bio-engineering, the controlling shareholder of the Company, has undertaken to the Company that in the year 2008, if the Company has no sufficient working capital to satisfy its current needs, Neptunus Bio-engineering will provide suitable financial aids to satisfy the Company's continuing operation capabilities in 2008. During the Relevant Period, the Company has not encountered any insufficiency in its working capital.

THE CDB LOAN AGREEMENT AND THE ENTRUSTED LOAN

Specific performance obligations by the controlling shareholder

The CDB Loan Agreement imposes specific performance obligations on the Company and Neptunus Bio-engineering as conditions precedent to the drawdown of monies by the Company under the CDB Loan. The CDB Loan Agreement requires Neptunus Bio-engineering to enter into an Agreement on Pledge of Shares with CDB and to act as a guarantor with joint liabilities together with the Company for the CDB Loan and to execute a Guarantee Agreement in favour of CDB. Neptunus Bio-engineering entered into the Agreement on Pledge of Shares and the Guarantee Agreement with CDB on 23 May 2006. The CDB Loan Agreement further requires that such Guarantee Agreement and Agreement on Pledge of Shares shall remain valid during the term of the loan, that Neptunus Bio-engineering would not be in breach of any provisions of the CDB Loan Agreement and that there would not be any circumstances in relation to the financial standing of Neptunus Bio-engineering and the pledged property which would prejudice the interests of CDB. In addition, if Neptunus Bio-engineering's ability to provide security is weakened or the value of the pledged property decreases, the CDB Loan Agreement requires the Company to provide compensatory security within a time limit required by CDB and valid security agreements should be entered into between the security providers (including without limitation to the Company and Neptunus Bio-engineering) and CDB. The CDB Loan Agreement further requires Neptunus Bio-engineering and Mr. Chai Xiang Dong to provide CDB with an undertaking in relation to the restrictions on the distribution of dividends by the Company. Neptunus Bio-engineering and Mr. Chai Xiang Dong have undertaken to strictly observe the conditions for distribution of dividends as provided in the CDB Loan Agreement. They have further undertaken to vote against any proposed resolution regarding the distribution of dividends in the shareholders' meeting of the Company in the event that such conditions provided in the CDB Loan Agreement have not been satisfied.

Pledge of shares by controlling shareholder

On 23 May 2006, Neptunus Bio-engineering, entered into an Agreement on Pledge of Shares with CDB, pursuant to which Neptunus Bio-engineering pledged 639,000,000 domestic shares of the Company currently held by it (representing approximately 67.5% of the Company's issued share capital) to CDB as security for the CDB Loan. Pursuant to the Agreement on Pledge of Shares, if the Company fails to repay the CDB Loan in accordance with the terms of the CDB Loan Agreement, CDB would be entitled to sell the abovementioned pledged shares and to apply such proceeds to set-off the CDB Loan. The Company had received a notice from Neptunus Bio-engineering regarding the abovementioned pledge of shares and had made an announcement on 24 May 2006 in respect of the above pledge of shares by the controlling shareholder pursuant to Rule 17.19 of the GEM Listing Rules.

The aforesaid Agreement on Pledge of Shares does not require Neptunus Bio-engineering to pledge to CDB any new shares in the Company acquired by it during the term of the pledge of shares.

Although the Guarantee Agreement and the Agreement on Pledge of Shares executed by Neptunus Bio-engineering for the purpose of securing the CDB Loan and its shareholders' entrusted loans to the Company amount to financial assistance to the Company, and are connected transactions under the GEM Listing Rules, the Company has not provided any security over its assets to Neptunus Bio-engineering in respect of this financial assistance and the above financial assistance is on normal commercial terms (or better to the Company). The above connected transactions are therefore exempt connected transactions under Rule 20.65(4) of the GEM Listing Rules.

Pledge of shares by management shareholder

On 23 May 2006, Mr. Chai Xiang Dong, the management shareholder of the Company, entered into an Agreement on Pledge of Shares with CDB pursuant to which Mr. Chai Xiang Dong pledged 47,671,000 domestic shares of the Company currently held by him (representing approximately 5.04% of the Company's issued share capital) to CDB as security for the CDB Loan. Pursuant to the Agreement on Pledge of Shares, if the Company fails to repay the CDB Loan in accordance with the terms of the CDB Loan Agreement, CDB would be entitled to sell the abovementioned pledged shares and to apply such proceeds to set-off the CDB Loan. The Company had received a notice from Mr. Chai Xiang Dong regarding the aforesaid pledge of shares and had made an announcement on 24 May 2006 in respect of the pledge of shares by management shareholder pursuant to Rule 17.43 of the GEM Listing Rules.

In addition, pursuant to the aforesaid Agreement on Pledge of Shares, if Mr. Chai Xiang Dong acquires new shares, pursuant to any bonus or rights issues of shares offered by the Company to its shareholders during the term of the pledge of shares, the new shares will automatically become the pledged property under that Agreement on Pledge of Shares and Mr. Chai Xiang Dong shall within 10 working days from acquiring new shares complete all the procedures required to perfect the pledge of the new shares. The Company will, if necessary, make an announcement in respect of the aforesaid pledge of new shares in the Company by Mr. Chai Xiang Dong pursuant to Rule 17.43 of the GEM Listing Rules.

Although the Agreement on Pledge of Shares executed by Mr. Chai Xiang Dong for the purpose of securing the CDB Loan amounts to financial assistance to the Company and is a connected transaction under the GEM Listing Rules, the Company has not provided any security over its assets to Mr. Chai Xiang Dong in respect of this financial assistance and this financial assistance is on normal commercial terms (or better to the Company). The above connected transaction is therefore an exempt connected transaction under Rule 20.65(4) of the GEM Listing Rules.

Gearing ratio

As at 30 June 2008, the gearing ratio of the Group was approximately 67.39% (end of 2007: 62%) and was calculated by a division of the Group's total borrowings by total capital.

Net current assets

As at 30 June 2008, the Group had net current assets of approximately RMB7,149,000. Current assets comprised cash and cash equivalents of approximately RMB15,638,000, trade receivables of approximately RMB357,000, amounts due from related companies of approximately RMB2,517,000, inventories of approximately RMB10,410,000, prepayments, deposits and other receivables of approximately RMB2,558,000 and pledged deposits of RMB Nil. Current liabilities comprised trade payables of approximately RMB1,051,000, short-term borrowings of approximately RMB11,000,000, amounts due to related companies of RMB Nil, taxes payable of approximately RMB2,397,000 and other payables of approximately RMB9,883,000. Compared with 31 December 2007's net current asset position of approximately RMB9,064,000, it was mainly due to increase in purchase of fixed assets of approximately RMB22,572,000 during the Relevant Period.

Pledge of assets

Pursuant to the pledge agreement entered into between the Company and CDB on 23 May 2005, the Company shall pledge all its lawfully obtained land use rights, buildings, and facilities to CDB and is in the process of completing the relevant pledge procedures.

The Company has also entered into the Agreement on Pledge of the Project Income Rights and Account Supervision, the Company is required to pledge all income rights under the Loan Project with CDB, and to deposit all revenue derived from the Loan Project into the accounts maintained by the Company in the administering branch of CDB and the clearing bank. The revenue will be subject to supervision by CDB and the clearing bank.

Foreign Currency Risk

The Group's transactions are mainly denominated in RMB, and the needs for liquidity and financing are regularly reviewed. During the Relevant Period, approximately 22.78% of the Group's operating revenue was denominated in US dollars and the remainder was denominated in RMB. The Group's major costs and capital expenditure were denominated in RMB. The Directors believe that although the exchange rate between US dollars and RMB was subject to certain fluctuations during the year, the foreign currency risk facing the Group is not much. Therefore, the Group has not adopted any financial instrument for hedging purposes.

Contingent Liability

As at 30 June 2008, the Group had no significant contingent liability.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE LISTED SECURITIES

As at 30 June 2008, the interests and short positions of the Directors, supervisors and the chief executives of the Company in the shares, associated shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors regarding the securities of their listed issuer as referred to in Rules 5.46 of the GEM Listing Rules, were as follows:

Total long positions in shares of the Company:

Director/supervisor	Capacity	Type of Interests	Number of domestic shares held	Approximate percentage of the domestic shares	Approximate percentage of the Company's equity interest
Chai Xiang Dong (Note 1)	Beneficial owner	Personal	47,671,000	6.71%	5.04%
Yu Jun (Note 2)	Beneficial owner	Personal	1,014,000	0.14%	0.11%

Notes:

- 1 Executive Director and general manager of the Company
- 2 Supervisor and employee of the Company

Total long positions in shares of associated corporations of the Company:

Director	Capacity	Type of Interests	Name of associated corporation	Numbers of shares held in associated corporation	Approximate percentage of shares held
Zhang Si Min (Note (a))	Beneficial owner	Personal	Neptunus Bio-engineering	360,693	0.055%
Zhang Si Min (Note (b))	Beneficial owner	Personal	Ankeen Enterprises Limited	15	15%
Yu Lin (Note (c))	Beneficial owner	Personal	Neptunus Bio-engineering	79,864	0.012%

Notes:

- (a) Mr. Zhang Si Min was interested in 0.055% of the entire issued share capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn was interested in approximately 67.5% of the issued share capital of the Company as at 30 June 2008.
- (b) Mr. Zhang Si Min held 15% interest of Ankeen Enterprises Limited ("Ankeen Enterprises"), which in turn was beneficially interested in approximately 41.90% interest in Shenzhen Neptunus Group Company Limited ("Neptunus Group"), which in turn was beneficially interested in approximately 32.535% interest in Neptunus Bio-engineering and Neptunus Bio-engineering and its directors are accustomed to act in accordance with the directions of Neptunus Group, which in turn was beneficially interested in approximately 67.5% of the issued share capital of the Company as at 30 June 2008.
- (c) Ms. Yu Lin was interested in 0.012% of the entire issued share capital of Neptunus Bio-engineering, the controlling shareholder of the Company, which in turn was interested in approximately 67.5% of the issued share capital of the Company as at 30 June 2008.

Save as disclosed above, as at 30 June 2008, none of the Directors, supervisors or chief executives of the Company nor their respective associates held any interests or short positions in the shares, associated shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors regarding the securities of their listed issuer as referred to in Rules 5.46 of the GEM Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

At no time during the Relevant Period had any of the Directors and supervisors of the Company or any of their spouses or their children under the age of 18 been granted or exercised any right to acquire interest in the Company; nor were the Company, its holding company nor any of its fellow subsidiaries a party to any arrangements enabling any Directors to acquire such rights of any other associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND ASSOCIATED SHARES

So far as the Directors and supervisors of the Company are aware, as at 30 June 2008, the interests and/or short positions held by shareholders (not being a Director, a supervisor or a chief executive of the Company) in shares or underlying shares of the Company which were required to be entered in the register pursuant to Section 336 of the SFO were as follows:

Total long positions in shares of the Company:

Name of shareholders	Capacity	Number of domestic shares held	Approximate percentage of the domestic shares	Approximate percentage of the Company's issued share capital
Neptunus Bio-engineering	Beneficial owner	639,000,000	90%	67.5%
Neptunus Group (Note (a))	Interest in controlled corporation	639,000,000	90%	67.5%
Ankeen Enterprises (Note (b))	Interest in controlled corporation	639,000,000	90%	67.5%
Wang Jin Song (Note (c))	Interest in controlled corporation	639,000,000	90%	67.5%
Li Li (Note (d))	Interest of spouse	47,671,000	6.71%	5.04%

Notes:

- Neptunus Group was deemed to be interested in the 639,000,000 shares of the Company held by Neptunus Bio-engineering as Neptunus Group was beneficially interested in approximately 32.535% of the entire issued share capital of Neptunus Bio-engineering and Neptunus Bio-engineering and its directors are accustomed to act in accordance with the directions of Neptunus Group.
- Ankeen Enterprises was deemed to be interested in the 639,000,000 shares of the Company held by Neptunus Bio-engineering as Ankeen Enterprises was beneficially interested in approximately 41.9% of the entire issued share capital of Neptunus Group, which in turn was beneficially interested in approximately 32.535% of the entire issued share capital of Neptunus Bio-engineering and Neptunus Bio-engineering and its directors are accustomed to act in accordance with the directions of Neptunus Group.
- Ms. Wang Jin Song ("Ms. Wang") was deemed to be interested in the 639,000,000 shares of the Company held by Neptunus Bioengineering as Ms. Wang was beneficially interested in 85% of the entire issued share capital of Ankeen Enterprises, which in turn was beneficially interested in approximately 41.9% of the entire issued share capital of Neptunus Group, which in turn was beneficially interested in approximately 32.535% of the entire issued share capital of Neptunus Bio-engineering and Neptunus Bio-engineering and its directors are accustomed to act in accordance with the directions of Neptunus Group.
- Ms. Li Li ("Ms. Li") was deemed to be interested in the 47,671,000 shares of the Company held by Mr. Chai Xiang Dong as Ms. Li is the spouse of Mr. Chai Xiang Dong and was taken to be beneficially interested in any shares held by Mr. Chai Xiang Dong.

Save as disclosed above, the Directors and supervisors of the Company are not aware of any other persons (except the Directors, supervisors or chief executives of the Company) who held any interests or short positions in the shares and associated shares of the Company which were required to be entered in the register pursuant to Section 336 of the SFO as at 30 June 2008.

PURCHASE, REPURCHASE OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiary have not purchased, repurchased or sold any of the Company's listed securities during the Relevant Period.

COMPETING INTERESTS

On 21 August 2005, Neptunus Bio-engineering, the controlling shareholder of the Company, entered into an agreement with the Company, in relation to non-competition undertakings and priority investment rights (the "Non-Competition Undertakings"), pursuant to which Neptunus Bio-engineering had undertaken to the Company and its associates that, inter alia, as long as the securities of the Company are listed on GEM:

1. it will not, and will procure its associates not to whether within or outside the PRC, directly or indirectly or by any means, participate in or operate any business which may constitute direct or indirect competition with the business operated by the Company from time to time, or produce any products, the usage of which is the same as or similar to that of the products of the Company (other than those indirectly held as a result of the equity interest in any listed company or its subsidiaries); and
2. it will not, and will procure its associates not to hold any interest, whether within or outside the PRC, in any company or organization (directly or indirectly, other than indirectly held as a result of its equity interest in any listed company or its subsidiaries) when the business of such company or organisation will (or may) compete directly or indirectly with the business of the Company.

Pursuant to the Non-Competition Undertakings, during the term of such Undertakings, when Neptunus Bio-engineering or its associates enter into any negotiations, within or outside the PRC, in relation to any new investment project which may compete with the existing and future business of the Company, the Company shall have a preferential right of investment in such investment projects.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the Relevant Period, the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all the Directors, the Directors confirmed that no transaction in the securities of the Company has been conducted during the Relevant Period, and the Company is not aware of any violation by the Directors on the standard of dealings and the standard of transactions as required under the code of conduct.

AUDIT COMMITTEE

The Company established an Audit Committee on 21 August 2005 in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's annual report and financial statements, half-yearly reports and quarterly reports, and to provide suggestions and opinions thereon to the Board. In addition, the Audit Committee members will meet with the management to review the accounting principles and practices adopted by the Company and to discuss matters relating to auditing, internal control and financial reporting of the Company. The Audit Committee comprises one non-executive Director, namely Ms. Yu Lin and two independent non-executive Directors, namely Mr. Yick Wing Fat, Simon and Mr. Poon Ka Yeung. Mr. Yick Wing Fat, Simon is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited results of the Group for the Relevant Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

The Code on Corporate Governance Practice has been effective for accounting periods commencing on or after 1 January 2005. The Company insists on a ruling, stable and reasonable corporate governance. In order to comply with the requirements of the Code on Corporate Governance Practice, the Company has set up a committee to review its internal management structure. The Directors are of the opinion that during the whole accounting period covered by this interim results report, the Company has been complying with the requirements under the Code on Corporate Governance Practice set out in Appendix 15 to the GEM Listing Rules.

By Order of the Board

Shenzhen Neptunus Interlong Bio-technique Company Limited*

Zhang Si Min

Chairman

Shenzhen, the PRC, 7 August 2008

* *For identification purpose only*